

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



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WASHINGTON 25, D. C.

Industry Circular No. 59-24

May 1, 1959

PROPOSED AMENDMENT OF 26 CFR PART 231 TAXPAID WINE BOTTLING HOUSES

To proprietors of taxpaid wine
bottling houses, and others
concerned:

Purpose. The purpose of this industry circular is to inform you of proposed amendments to conform the regulations governing taxpaid wine bottling houses to the applicable provisions of the Excise Tax Technical Changes Act of 1958. The proposed amendments were published as a notice of proposed rule making in the Federal Register on April 21, 1959.

Background. The Excise Tax Technical Changes Act of 1958 (Public Law 85-859), approved September 2, 1958, makes various changes in the Internal Revenue Code, among which are changes in chapter 51 with relation to distilled spirits, wines, and beer. To give effect to such changes, as they relate to wine, it is necessary to make certain amendments in the regulations governing taxpaid wine bottling houses (26 CFR Part 231). The amendments, when approved in final form, will be effective July 1, 1959.

Proposed Changes. The proposed changes are described as follows:

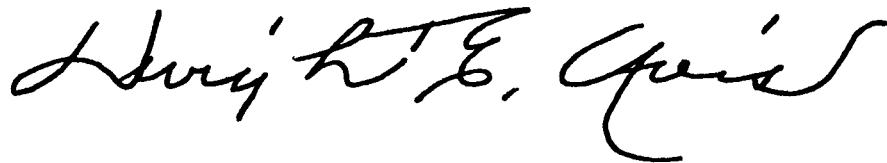
(1) The requirement that wine be bottled or packaged especially for export to be exported with benefit of drawback has been removed to conform with the change in section 5062, I.R.C. Corresponding to this, the requirements in respect of export storage and segregation of wines for export have been removed.

(2) The provisions in regard to special tax have been changed to require that the tax be paid as a wholesale or retail dealer in wines, as the case may be.

(3) The designations "rectifying plant" and "taxpaid distilled spirits bottling house" are no longer significant in the light of the "distilled spirits plant" concept promulgated by Public Law 85-859. Accordingly, such designations have been changed to "bottling premises of a distilled spirits plant".

Comments. The notice of proposed rule making provides that, before adoption of the proposed amendment, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D. C., within 30 days from the date of publication in the Federal Register.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in cursive script, reading "Dwight E. Avis". The signature is written in dark ink and is positioned above the printed name and title.

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division